Development (NABARD). Scale of finance and unit cost have been kept flexible and banks have been given discretion to lend based on the farm level realities, practices and costs so as to ensure adequate credit. Scale of finance and unit cost are periodically reviewed and revised based on the market price of the inputs. The scale of finance and unit cost have been revisited and made realistic to ensure adequacy of credit to farmers. Details of Ground Level Credit by various agencies in Uttar Pradesh and Bihar during the last three years are given as under:—

(Rs. in lakh)

Agency	Uttar Pradesh			Bihar		
	2001-02	2002-03	2003-04	2001-02	2002-03	2003-04
RRBs	95936	135700	173171	9993	15384	20487
Cooperatives	191083	214877	280817	8278	10160	56111
Commercial Banks	273648	267546	356845	52475	46716	65574
TOTAL:	560667	618123	810833	70746	72260	142172

During the statutory inspection of Co-operative banks by NABARD, adequacy of finance extended by banks is looked into and generally found to be in order. However, due to weak financial position of District Central Co-operative banks in Bihar, the Registrar of Co-operative Societies has pegged the individual maximum borrowing power of a farmer under production credit at Rs. 25,000/- which may have resulted in inadequate financing in certain cases.

(c) to (e) As reported by NABARD, no such instances of cheating of fanners in respect of Bihar have been reported. However, in Uttar Pradesh, 3 complaints of RRBs and 1 complaint of Co-operatives have been reported during the year 2003-04 and all have been disposed off as per the procedure laid down. In the year 2004-05,10 complaints of RRBs and 6 complaints of Co-operative have been reported, out of which 8 cases and 4 cases respectively have been disposed off.

Development of economy

3431. SHRI V. NARAYANASAMY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that India has opened up its economy for global capital floors as outlined by the Prime Minister; and

(b) if so, what are the areas of foreign investment which India is envisaging for development of Indian economy?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) In recognition of the fact that the country needs a large quantum of foreign investment, the Government welcomes foreign direct investment (FDI) as well as the participation of foreign institutional investors (Flls). The foreign investment policy is reviewed on an ongoing basis and has been progressively liberalized.

FDI is encouraged and actively sought after, particularly in areas of infrastructure, high technology and exports.

Regional disparities in States

3432. SHRI R.K.ANAND:
SHRI SANTOSH BAGRODIA:

Will the Minister of FINANCE be pleased to state:

• (a) whether it is a fact that regional disparities in the States had increased during the last decade;

(b) if so, what are the reasons and how they can be removed;

(c) in the light of the above, whether the scope of the Finance Commission will be enlarged in order to reduce the interference of the Centre in the financial management of the States and the discretionary transfers; and

(d) whether Finance Commission would be accorded permanent status; and if not, the reasons for the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) Overall disparity in inter-State growth did increase during the nineties as compared to eighties and seventies. Faster growth in some States could be on account of reformed States harnessing more of their true potential.

(c) and (d) There is no such proposal under consideration of the Government.

Imposition of excise duty on MRP

3433. SHRIMATI BIMBA RAIKAR: Will the Minister of FINANCE be pleased to state:

(a) whether Government have announced imposition of a levy of Excise